

REPORT TO THE LEGISLATURE

Examining Temporary Assistance for Needy Families Time Limit and Sanction Data *Disaggregated by Race and Ethnicity*

As required by RCW 74.08A.265

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Economic Services Administration, Community Services Division
Washington State Department of Social and Health Services
PO Box 45440
Olympia, WA 98504-5440
(360) 485-2858



TABLE OF CONTENTS

Statutory Requirement	3
Background	3
Washington Policy and Practice Evolution Since 2019	4
Latest Findings from State Fiscal Year 2024	7
Continued Efforts to Reduce Disparate Impact of TANF Policies	11
Recommendations for Consideration	12
Appendix A: Legislative Changes to Time Limit and Sanction Policy	14

STATUTORY REQUIREMENT

RCW [74.08A.265](#), amended by [Second Substitute Senate Bill 6478 \(Chapter 320, Laws of 2020\)](#), requires the Department of Social and Health Services (DSHS) to produce an annual report of disaggregated data identifying the race of individuals whose Temporary Assistance for Needy Families (TANF) benefits were reduced or terminated during the preceding year due to:

- (a) Sanction as described in [RCW 74.08A.260](#); or
- (b) Reaching the 60-month time limit under [RCW 74.08A.010](#).

If the disaggregated data for terminated or sanctioned individuals shows a disproportionate representation of any racial group that has experienced historic disparities or discrimination, DSHS must describe the steps it is taking to address and remedy the racial disproportionality.

BACKGROUND

In 2018 and 2019, DSHS' Economic Services Administration (ESA)'s Management Accountability and Performance Statistics (EMAPS) and Research and Data Analysis staff began examining TANF/State Family Assistance (SFA) data, exploring whether disproportionality in application of both the time limit extension and sanction policies existed. A disproportionate impact of time limit policy on Black and Native American families was found. Compared to all TANF clients, Black and Native American clients were disproportionately more likely to experience a time limit related closure of benefits or, if reapplying for benefits, have their application denied based on not meeting time limit extension criteria.¹ At that time, no racial disproportionality was seen with application of TANF/SFA sanction policy.

In September 2019, ESA's Community Services Division (CSD) presented these [findings](#) during a legislative work session and discussed its efforts to better understand and work towards eliminating these disparities. The following year, [Second Substitute Senate Bill 6478 \(Chapter 320, Laws of 2020\)](#) required DSHS to produce an annual report on disproportionality in time limit and sanction policy.

CSD has continued to examine why time limit disproportionality exists and options for eliminating it. Since 2019, practice changes have occurred to address implicit bias, and the Legislature has adopted and funded policy to mitigate the disproportionate impact of TANF policies. DSHS also adopted an [agency-wide initiative](#) to become an antiracist, equitable and transformational organization, including establishment of an Office of Equity, Diversity, Access and Inclusion to oversee those efforts.

¹Source: DSHS TANF Time Limit Analysis Comparing Cases Closed Due to Time Limits with Other Case Closures, October 2018 (Revised February 2019), Christina McHugh, M.A., M.P.P., J. Taylor Danielson, Ph.D. - *A comparison of clients terminated or denied a TANF time limit extension in SFY 2017 showed that Black/African American clients were only 19% of all TANF clients, but 31% of the clients terminated or denied for time limit, while American Indians were 9% of all TANF clients and 13% of clients terminated or denied for time limit¹. Some, but not all, of the disproportionality was associated with higher likelihood of adults in this demographic reaching the 60-month time limit.*

Time Limit Policy

Federal law places a 60-month time limit on federally-funded TANF benefits for an adult in their lifetime. Adults may qualify for an extension to this time limit, based on criteria established by the state. As an adult recipient approaches the 60-month limit, the department works with them to determine if they are eligible for an extension on aid. To qualify for a time limit extension, the recipient must provide documentation that they meet at least one time limit extension criteria.

Since 2019, there have been major practice and policy changes shifting the state's time limit policy to focus on preventing unconscious bias in DSHS actions and allowing greater access to TANF for families:

- Beginning in June 2019, CSD required all time limit extension denials to have a supervisory review. This second layer of review intends to prevent unconscious bias in determinations. Automation to support this review was available (July 2023) upon resumption of time limits following the pandemic related public health emergency.
- Effective July 2019, [Second Substitute House Bill 1603](#) expanded reasons for extending a family's time on aid beyond 60 months to include homelessness.²
- Starting in April 2020, broad extensions to aid were temporarily allowed for all families to provide basic safety net support during the unstable health and economic conditions of the COVID-19 pandemic. State budgets adopted in 2021 and 2022 supported this policy, extending TANF cash assistance to families who didn't meet any of the prevailing time limit extension criteria.³ **This broad policy ended, effective July 2023, correlating with the end of the pandemic related public health emergency.**
- Effective July 2021, [Second Substitute Senate Bill 6478](#) broadened the definition of homelessness for the purpose of extending time on aid to align with the federal McKinney-Vento definition. It includes those who are doubled-up, sharing housing for financial reasons, or caring for a child relative who is homeless, even if the caregiver is not homeless themselves.
- Effective July 2022, [Second Substitute Senate Bill 5214](#) allowed additional time on aid for individuals who received TANF during the height of the COVID-19 pandemic, when the Washington unemployment rate was greater than or equal to 7%.⁴
- Effective July 2023, [House Bill 1755](#) allowed additional time on aid for individuals with over 60 months of TANF when the unemployment rate is 7% or higher, per the most recently published data available through the Employment Security Department.
- Effective July 2023, [Second Substitute House Bill 1447](#) eliminated the time limit for households with parents who are themselves ineligible for aid, due to receipt of SSI, their legal status, or immigration status.⁵ These households can continue to receive cash assistance benefits until the child ages out of assistance or the household no longer meets eligibility criteria for TANF/SFA.⁶

² EMAPS Report #5412 using the ACES Data Warehouse, Sept. 2021 load - [A previous legislative report](#) included findings showing that expansion of homelessness time limit extension criteria was beneficial for Black/African American and American Indian/Alaska Native clients, as these groups are more likely to receive homelessness related time limit extensions compared to other subgroups.

³ [Supplemental Operating Budget: Engrossed Substitute Senate Bill 5693 \(Chapter 297, Laws of 2022\)](#)

⁴ This policy wasn't accessed by families until the COVID-19 broad time limit extension policy ended, July 2023.

⁵ In a [previous legislative report](#), households with an ineligible parent were disproportionately households of color (Hispanic and Latino children were particularly overrepresented among those losing TANF/SFA benefits due to this policy). This legislation helped mitigate disparities for these families.

⁶ Per ESA Report # 5946 - "Race and Ethnicity for Clients on TANF/SFA Child-Only Cases with an Ineligible Parent and Clients on TANF/SFA Child-Only Cases with an Ineligible Parent and a COVID-19 Time Limit Extension, June 2023": *While 53.3% of children on child-only TANF/SFA cases with an ineligible parent were Hispanic or*

- Effective July 2024, [Substitute House Bill 2007](#) allowed additional time on aid for individuals with a child under the age of two, and who are eligible for an infant, toddler, or postpartum exemption.

While the reasons for extending time on aid have expanded since 2019⁷, there are many families who still face termination from assistance due to time limits.

TANF time limit policy is driven by federal statute. A state may incur a financial penalty if more than 20% of its federally funded TANF caseload is composed of cases with adult recipients who continue to receive benefits beyond 60 months. It should be noted that Washington state did not enforce a time limit for TANF prior to February 2011, and that was also the case during the COVID-19 pandemic, from March 2020 to July 2023. Washington has no history of exceeding the federal 20% cap noted above. It is unlikely that the state would exceed the federal cap if policy makers broadened the time limit extension criteria permanently.

As noted above, federal TANF time limit policy only applies to adult recipients. Per federal law, dependent children within TANF families do not have a time limit on assistance. While federal law prohibits a state from leveraging TANF federal funds to continue aid to families who do not qualify for a time limit extension and/or aid to families beyond the 20% cap on time limit extensions, it does not prohibit a state from leveraging state funds to continue to support families with aid beyond 60-months.⁸

Several states have flexed beyond federal policy to continue to support families, including:

- **California**, which provides a safety program to families by continuing aid for children in the household, reducing the family's grant only by the parent(s)/adult(s) share when the family exceeds 60-months on CalWORKs (California's implementation of TANF).⁹
- **Oregon** eliminated full family termination after 60-months. When the adult(s) have reached the 60-month time limit, the child's portion of the grant is maintained.¹⁰
- **Washington DC**, which provides assistance to the entire family beyond 60-months without need to assess whether an extension is appropriate.¹¹

Sanction Policy

CSD case managers connect parents and caregivers to education, job training and employment opportunities through WorkFirst. DSHS' [sanction policy](#) reduces and then eventually terminates TANF benefits when an adult required to participate in WorkFirst:

- Does not prepare for and seek employment, or otherwise participate, without good cause.
- Fails to attend a non-compliance meeting or make contact with DSHS.

Sanction is a penalty that reduces and then terminates a family's TANF cash benefit. Federal TANF rules ([Sec 407 \(e\) \(1\) 42 USC 607](#)) require sanction, but allow states to determine whether the grant will be reduced by a pro rata share (based on the share of the adult who is not participating), reduced by a larger than pro rata

Latino, 94.8.% of children on child-only TANF/SFA cases with an ineligible parent and a COVID-19 time limit extension were Hispanic or Latino. If the ineligible parent time limit had not been eliminated, Hispanic and Latino children were likely to have been overrepresented among those losing access to TANF/SFA benefits.

⁷ Current criteria for extending time on TANF assistance can be found in [WAC 388-484-0006](#) and [WorkFirst Handbook Section 3.6.1.5](#)

⁸ [42 U.S.C. 608 \(a\)\(7\)\(A\), \(B\), and \(F\); Policy Basics: Temporary Assistance for Needy Families | Center on Budget and Policy Priorities \(cbpp.org\)](#)

⁹ [CalWORKs Program Fact Sheet, All County Letter 20-113](#)

¹⁰ Oregon Department of Human Services, [9942 60-month Time Limit for Receiving \(state.or.us\)](#)

¹¹ [Washington DC TANF State Plan](#)

share, or ended. States also have the ability to establish good cause or other exceptions. Federal law requires, at a minimum, the reduction of cash assistance if an individual does not comply with the WorkFirst program. Greater penalties may be applied and states have the option of terminating assistance due to non-compliance.

Since 2019, the following temporary and permanent sanction policy and practice changes have occurred in Washington state to broaden support for families:

- Effective July 2019, [Second Substitute House Bill 1603](#) eliminated a family from becoming permanently disqualified from TANF after three sanction related terminations from aid.¹²
- In response to the COVID-19 pandemic, from April 2020 – September 2021, participation requirements and the sanction process were temporarily suspended for WorkFirst.
- Effective July 2021, [Substitute House Bill 2441](#) lengthened the amount of time a family could be in a reduced grant due to sanction, prior to facing complete termination from assistance. After two consecutive months of non-compliance, a family’s grant is reduced by 40% or the non-complying adult’s pro rata share, whichever is greater. If the parent does not resume participation within 10 months after grant reduction, cash assistance for the entire family is terminated.¹³
- Effective July 2023, [Second Substitute House Bill 1447](#) expanded the definition of good cause reasons for failure to participate in the WorkFirst program to include any hardship that would reasonably prevent program participation, as defined by DSHS.

While Washington state’s sanction policy has made progress towards better supporting families experiencing poverty since 2019, it continues to be stricter than what is required by federal law. Federal law asserts that states must reduce *or* terminate cash assistance for failure to comply with an individual responsibility plan. Washington state goes beyond the federal requirement by reducing *and* then terminating the family’s entire cash benefit. This optional policy is commonly referred to as “full-family sanction,” since both the children and adults in the household lose access to assistance. In addition, federal law dictates the reduction must be at least a ‘pro rata’ share of the total grant amount (discussed above in this section). Currently, Washington goes beyond this by reducing the grant by the ‘pro rata’ amount or 40%, whichever is **greater**.¹⁴

A number of other states have taken a more supportive approach to this policy¹⁵, by lessening the destabilizing effect grant reduction/termination can have on a family:

- **California** does not impose full-family sanctions/terminations and does not apply the time limit on aid to adults in sanction status. This requires additional state funding to support families with sanctioned adults that exceed the TANF federal time limit of 60-months.
- **Connecticut** does not have full-family sanctions/terminations, effective July 2022.
- **Illinois** does not have full-family sanctions/terminations. The adult portion of the benefit is reduced by 30% when the adult(s) are in non-compliance with participation requirements.
- **Oregon** does not have full-family sanctions/terminations. Only 25% of the households cash assistance grant is subject to penalty, at maximum.

¹² EMAPS Report #5424, *Demographic Profile of TANF/SFA Clients by Whether an Adult on the Case was Previously or Potentially Permanently Disqualified, July 2019-June 2021* – Data shows all clients benefitted from this change, though Black/African American and American Indian/Alaska Native populations particularly benefitted, as they had previously lost access to TANF/SFA at a higher rate compared to other populations due to permanent disqualification.

¹³ WorkFirst participants became subject to this updated sanction policy upon resumption of participation requirements, September 2021.

¹⁴ [WAC 388-310-1600](#)

¹⁵ California Regulations – [Eligibility and Assistance Standards Manual 42-721, 42-302.115](#); Connecticut State Legislation - [Senate Bill 286](#); Welfare Rules Database, Office of Planning, Research, and Evaluation (OPRE) and Urban Institute, [The Welfare Rules Database - Urban Institute](#).

- **Maryland** does not have full-family sanctions/terminations. The adult portion of the benefit is reduced by 30% when the adult(s) are in non-compliance with participation requirements.
- **New York** does not have full-family sanctions/terminations and reduces a pro-rata share of the benefit until compliance with participation requirements occurs.
- **Washington D.C.** decreased the maximum sanction reduction penalty to 6% of the household's total benefit, meaning that only 6% of the grant is subject to penalty.

Additional Supportive Practice Changes

Since 2019, CSD has piloted a tool for equity analysis called the Multidimensional Equity Analysis (MDEA), using it to examine the TANF time limit extension process. This pilot documented potential bias in this process. In response, CSD has:

- Facilitated trainings and discussions to mitigate possible unconscious bias.
- Established a respect, equity, diversity, and inclusion (REDI) ambassador campaign to help staff connect ESA poverty reduction goals to their daily work and educate staff on the importance of routinely monitoring for bias in their daily work.
- Introduced the MDEA tool and related practice to staff involved in policy analysis and leveraged it for specific process improvement workgroups on topics of EBT services, fraud referral, and initial engagement redesign.

DSHS has engaged in a similar equity analysis process for all agency legislative and funding requests (decision packages), driven by the Office of Financial Management and the Governor's Office, with training provided to staff in policy, budget, and other roles. In addition, CSD applied strategies to support consistent, client-centered and strengths-based case management, including:

- Foundational training delivered to all staff on the impacts of poverty and racism, and ways we can adapt our practices to be more empathetic and effective with those we serve (*throughout 2021*).
- Implementation of a trauma-informed and client-centered evaluation and assessment tool to support initial engagement of WorkFirst program participants (*September 2021*).
- Update and refresh of the WorkFirst Core training (delivered to all new staff supporting the WorkFirst program) to include foundational training videos, time for reflection, and discussion activities regarding neuroscience, epigenetics, Adverse Childhood Experiences, Resilience, and Trauma Informed Approach to supporting clients (*Winter 2023*).

LATEST FINDINGS FROM STATE FISCAL YEAR 2024

Impact of Time Limits

In response to the COVID-19 pandemic, TANF time limit extension policies were broadened to support all families experiencing continued financial hardship. In July 2023, the majority of time limit policies returned to pre-pandemic requirements. At that time, some families for the first time since early 2020, faced termination from cash assistance due to the TANF time limit on aid. **In the year following resumption of time limits, 6,117 individuals in Washington state were terminated from cash assistance (July 1, 2023 to July 1, 2024).**

Table 1 compares the race and ethnicity of TANF/SFA recipients (adults and children) in cases that have at least one adult recipient to all TANF/SFA recipients (adults and children) in cases closed due to time limit policy.

Table 1: Race and Ethnicity Breakdown of TANF/SFA Clients on Adult Recipient Cases, Compared to Clients whose Case Closed Due to the Time Limit, July 2023 – June 2024¹⁶

		Total Clients in TANF/SFA Adult Recipient Cases		TANF/SFA Clients Whose Case Closed Terminated Due to the Time Limit ¹⁷			
		# of Clients	% Clients	# of Clients	% Clients	Risk ¹⁸	Risk Ratio ¹⁹
Number of Clients²⁰		133,394	100.0%	4,576	100.0%	3.4%	1.00
Ethnicity and Race	Hispanic or Latino	34,110	25.6%	1,081	23.6%	3.2%	0.92
	Not Hispanic or Ethnicity Not Reported	99,284	74.4%	3,495	76.4%	3.5%	1.03
	White	55,059	41.3%	1,797	39.3%	3.3%	0.95
	Black/African American	16,493	12.4%	982	21.5%	6.0%	1.74
	Asian/Pacific Islander	10,699	8.0%	178	3.9%	1.7%	0.48
	American Indian/Alaska Native	3,826	2.9%	187	4.1%	4.9%	1.42
	Two or More Races	4,332	3.2%	199	4.3%	4.6%	1.34
	Race Not Reported	8,875	6.7%	152	3.3%	1.7%	0.50

Black/African American clients are 12.4% of all TANF/SFA clients but 21.5% of those whose cases have been terminated. Similar patterns exist with American Indian/Alaska Native and clients with two or more races, who are 2.9% and 3.2%, respectively of all June 2023 TANF/SFA clients but 4.3% and 4.1%, respectively, of those whose cases have been terminated. **This shows that Black/African American clients and other historically marginalized groups (e.g. American Indians/Alaska Natives and multiracial clients) have in the past year disproportionately lost access to TANF due to time limit requirements.**

As of July 2024, cases with time limit extensions represented 8.2% of the caseload, down from a high of 13.5% in February and March 2022. The decline in the proportion of these cases is due primarily to the resumption of time limit related case terminations, and less notably due to the increase in the overall TANF/SFA caseload. **In summary, from March 2020 through July 2024, households with time limit extensions have not reached more than 13.5% of the overall caseload – far from the 20% cap on federally funded cases.²¹**

¹⁶ Source: EMAPS Report #6233 using the ACES Data Warehouse, Aug. 2024 load. Green shading indicates a risk ratio of at least 1.20. For this report, a risk ratio of 1.20 or greater suggests potential disproportionality.

¹⁷ TANF/SFA cases with benefit terminated due to the adult recipient time limit have the 229 reason code associated with the termination.

¹⁸ Risk is the percentage of clients experiencing a particular outcome. It is calculated by dividing the number of clients in a group who experienced the outcome by the total number of clients in that group.

¹⁹ A risk ratio compares the risk of one group experiencing a particular outcome to the risk of all groups experiencing the same outcome. It is calculated by dividing the risk for one group by the risk for all groups. A risk ratio of 1.0 indicates that risk is equal. Below 1.0 indicates lower risk, and above 1.0 indicates higher risk. For example, a risk ratio of 1.5 means that being a member of the group increases the risk of experiencing the outcome by 50%.

²⁰ Clients includes adult and child recipients.

²¹ Refer to **Washington Policy and Practice Evolution Since 2019, Time Limit Policy** section of this report for information on the federal TANF time limit cap.

Impact of Sanctions

Households that are deemed non-compliant for over two months face sanction and grant reduction. Those who do not cure their sanction within 10 months after reduction have their cash assistance completely terminated.

Table 2 compares the race and ethnicity of TANF/SFA recipients (adults and children) in cases that have at least one adult recipient to all TANF/SFA recipients (adults and children) in cases with sanction related reduced grants.

Table 2: Race and Ethnicity Breakdown of TANF/SFA Clients with Adult Recipients and Clients on Sanctioned TANF/SFA Cases, July 2023 – June 2024²²

		Clients on TANF/SFA Cases with Adult Recipients		Clients on TANF/SFA Cases with Grant Reduced Due to Non-Compliance Sanction ²³			
		# of Clients	% Clients	# of Clients	% Clients	Risk ²⁴	Risk Ratio ²⁵
Number of Clients²⁶		133,394	100.0%	11,464	100.0%	8.6%	1.00
Ethnicity and Race	Hispanic or Latino	34,110	25.6%	2,702	23.6%	7.9%	0.92
	Not Hispanic or Ethnicity Not Reported	99,284	74.4%	8,762	76.4%	8.8%	1.03
	White	55,059	41.3%	5,061	44.1%	9.2%	1.07
	Black/African American	16,493	12.4%	1,421	12.4%	8.6%	1.00
	Asian/Pacific Islander	10,699	8.0%	871	7.6%	8.1%	0.95
	American Indian/Alaska Native	3,826	2.9%	680	5.9%	17.8%	2.07
	Two or More Races	4,332	3.2%	383	3.3%	8.8%	1.03
	Race Not Reported	8,875	6.7%	346	3.0%	3.9%	0.45

While 2.9% of all clients on cases with adult recipients are American Indian/Alaska Native, 5.9% of clients on cases with reduced grants are American Indian/Alaska Native. American Indian/Alaska Native clients' risk of having their grants reduced due to sanction has doubled – specifically it is 107% higher than the risk for all clients. **This shows that American Indian/Alaska Native clients are disproportionately affected by grant reduction due to sanction and this disproportionality is getting worse. In the prior fiscal year, the risk of American Indian/Alaska Native clients experiencing sanction related grant reduction was 67% more than all clients.²⁷**

²² Source: EMAPS Report #6233 using the ACES Data Warehouse as of the August 2024 load. Green shading indicates a risk ratio of at least 1.20. For this report, a risk ratio of 1.20 or greater suggests potential disproportionality.

²³ Clients are considered sanctioned if their TANF/SFA case's benefit was reduced due to sanction. The sanction policy for WorkFirst was modified July 1, 2021 (See WAC 388-310-1600). See **Washington Policy and Practice Evolution Since 2019, Sanction Policy** section of this report for more information.

²⁴ Risk is the percentage of clients experiencing a particular outcome. It is calculated by dividing the number of clients in a group who experienced the outcome by the total number of clients in that group.

²⁵ A risk ratio compares the risk of one group experiencing a particular outcome to the risk of all groups experiencing the same outcome. It is calculated by dividing the risk for one group by the risk for all groups. A risk ratio of 1.0 indicates that risk is equal. Below 1.0 indicates lower risk, and above 1.0 indicates higher risk. For example, a risk ratio of 1.5 means that being a member of the group increases the risk of experiencing the outcome by 50%.

²⁶ Clients include adult and child recipients.

²⁷ EMAPS Report #5946 using the ACES Data Warehouse as of the August 2023 load.

Table 3 compares the race/ethnicity of all TANF/SFA recipients (adults and children) in cases with at least one adult recipient, to TANF/SFA recipients (adults and children) whose case closed due to non-compliance sanction.

Table 3: Race and Ethnicity Breakdown of TANF/SFA Clients on Adult Recipient Cases, Closed Due to Non-Compliance Sanction, July 2023 - June 2024²⁸

		Clients on TANF/SFA Cases with Adult Recipients		Clients on TANF/SFA Cases Terminated Due to Non-Compliance Sanction (NCS) ²⁹			
		# of Clients	% Clients	# of Clients	% Clients	Risk ³⁰	Risk Ratio ³¹
Number of Clients³²		133,394	100.0%	1,267	100.0%	0.9%	1.00
Ethnicity and Race	Hispanic or Latino	34,110	25.6%	236	18.6%	0.7%	0.73
	Not Hispanic or Ethnicity Not Reported	99,284	74.4%	1,031	81.4%	1.0%	1.09
	White	55,059	41.3%	599	47.3%	1.1%	1.15
	Black/African American	16,493	12.4%	179	14.1%	1.1%	1.14
	Asian/Pacific Islander	10,699	8.0%	80	6.3%	0.7%	0.79
	American Indian/Alaska Native	3,826	2.9%	97	7.7%	2.5%	2.67
	Two or More Races	4,332	3.2%	46	3.6%	1.1%	1.12
	Race Not Reported	8,875	6.7%	30	2.4%	0.3%	0.36

While 2.9% of all clients on cases with adult recipients are American Indian/Alaska Native, 7.7% of clients with cases terminated due to non-compliance sanction are American Indian/Alaska Native. American Indian/Alaska Native clients' risk of having their grants terminated due to non-compliance sanctions is 167% greater than the risk for all clients. Similar to grant reduction due to sanction, **American Indian/Alaska Native clients are disproportionately affected by cash benefit termination due to sanction.**

This year's non-compliance sanction data also indicates that the risk of having cash benefits terminated is virtually identical for Black/African American clients (1.1%) and White clients (1.1%). This is a change from last year's report, which indicated that Black/African American clients had an elevated risk of disproportionate program impact of sanction related cash benefit termination.

²⁸ Source: EMAPS Report #6233 using the ACES Data Warehouse as of the August 2024 load. Green shading indicates a risk ratio of at least 1.20. For this report, a risk ratio of 1.20 or greater suggests potential disproportionality.

²⁹ Clients are considered sanctioned if their TANF/SFA case's benefit was reduced due to sanction. The sanction policy for WorkFirst was modified July 1, 2021 (See WAC 388-310-1600). See **Washington Policy and Practice Evolution Since 2019, Sanction Policy** section of this report for more information. TANF/SFA cases terminated due to a non-compliance sanction have the 252 reason code associated with the termination.

³⁰ Risk is the percentage of clients experiencing a particular outcome. It is calculated by dividing the number of clients in a group who experienced the outcome by the total number of clients in that group.

³¹ A risk ratio compares the risk of one group experiencing a particular outcome to the risk of all groups experiencing the same outcome. It is calculated by dividing the risk for one group by the risk for all groups. A risk ratio of 1.0 indicates that risk is equal. Below 1.0 indicates lower risk, and above 1.0 indicates higher risk. For example, a risk ratio of 1.5 means that being a member of the group increases the risk of experiencing the outcome by 50%.

³² Clients includes adult and child recipients.

CONTINUED EFFORTS TO REDUCE DISPARATE IMPACT OF TANF POLICIES

DSHS continues to respond with policy and practice changes, and recommendations to promote equity in public assistance. DSHS is committed to incorporating equity, diversity, and inclusion into the culture of how we do our work to provide equitable access to everyone we serve and to meet our poverty reduction goals.

Time Limit Related Efforts

CSD has continued to focus on policy levers over the last year to improve outcomes for those impacted by time limit policy, including:

- Continuing to circulate as agency request legislation the concept of expanding time limit extensions to all who are still facing financial hardships at the end of 60 months on TANF/SFA assistance.
- Implementing [Substitute House Bill 2007](#) this past July, which allowed additional time on aid for individuals with a child under the age of two, eligible for the infant, toddler, or postpartum exemption. This policy change supports pregnant and families parenting young children who are impacted by the TANF time limit and provided a needed bridge to continued assistance for individuals served by our Pregnant Women Assistance (PWA) program.³³

Sanction Related Efforts

Following a partnership with ESA's Division of Program Integrity to conduct further research impact of sanction policy,³⁴ CSD conducted analysis to explore actions to mitigate the disproportionate impact of TANF sanction policy. CSD concluded there were broader issues with general administration of the sanction process, and that staffing, operational, and organizational disruptions caused by lasting domino effects of the pandemic were all contributing factors to those issues. Stabilization around those elements is necessary before providing additional insight or 'root causes' for the disparities seen in application of this process.

To support continued monitoring, analysis, and program stabilization, the following areas are of focus for CSD:

- Ongoing data analysis and monitoring, including –
 - Periodic statistically significant analysis of the sanction process.
 - Other data monitoring, in collaboration with local internal leadership.
- Assessing and improving outreach, including –
 - Advocating for more modern outreach methods (e.g. texting, email).
 - Reinforcing operational flexibility when it comes to client engagement (e.g. option to leverage phone appointments, in lieu of in-person appointments).
 - Exploring additional/better messaging to families around contact options, if they are unable to readily contact their case manager or attend a scheduled appointment.
 - Advancing initiatives that improve family engagement outcomes including client-driven approaches and engagement tools.
- Implementing a focused, instructor-led training on the topic of engagement and sanction.

³³ PWA supports pregnant women who no longer qualify for TANF/SFA due to time limits. This new policy allows these individuals to continue on TANF/SFA assistance beyond the term of their pregnancy, for three months to two years postpartum, depending on which WorkFirst participation exemption they qualify for.

³⁴ [Examining Temporary Assistance for Needy Families Time Limit and Sanction Data Disaggregated by Race and Ethnicity](#), page 11.

- Proposing elimination of sanction related terminations (full family sanctions) via agency request legislation.

Broader Efforts

CSD continues to expand opportunities for staff to increase their awareness of unconscious bias by focusing on providing support to those we serve in a manner that is consistent with the values of REDI and the goal of becoming an antiracist organization. CSD deployed a revamped ‘culture training’ in early 2024 to bolster staff’s understanding of poverty dynamics, with the goal of continuing to increase awareness and empathy, and ensuring additional hurdles are not intentionally or unintentionally created for those served by CSD programs. The training covers topics such as executive functioning skills, NEAR science, anti-bias, and trauma informed approach, with an overall focus on positive communication.

RECOMMENDATIONS FOR CONSIDERATION

Allow all families who meet eligibility criteria continued access to assistance beyond 60 months.

Washington has no history of exceeding the federal 20% cap on federally funded TANF assistance delivered after 60-months of time on aid, and it is unlikely the state would exceed the federal cap if policy makers broadened the time limit extension criteria to allow families still facing financial hardship to continue to receive assistance beyond 60-months. As described in the ***Latest Findings from State Fiscal Year 2024, Impact of Time Limit Policy Section*** above, when DSHS temporarily eliminated the TANF/SFA time limit during the COVID-19 pandemic, at no time was the 20% cap exceeded, or even approached. In addition, the disparities in time limit extension practice found before, and now resurfacing with resumption of time limits, were eliminated.

Further, current time limit extension criteria may also contribute to potential disproportionality. For example, taking the disability time limit extension criteria, some racial and ethnic groups have less access to medical care which creates barriers to obtaining necessary documentation to support extending time on aid.³⁵ Adopting a broad time limit extension policy would eliminate this well-documented disparity in health outcomes and access.

Ultimately, the pandemic response has shown that **the simplest and most complete solution to disproportionality in time limit extension practice is for policy makers to consider functionally removing time limits from the program.** This could be done through statutory changes to expand extension criteria to encompass all families that reach their TANF time limit. Washington made a small step in this direction in 2023 by eliminating time limits for ineligible parents.

Should approaching the federal cap become a risk, the state could commit state funds to supporting those extended on aid beyond the cap. As an alternative, a safety net approach could be explored where families who reach 60-months on TANF/SFA and do not qualify for an extension continue to receive benefits for only children in the home.

³⁵ There is extensive literature on racial inequities and access to health care, including [Key Data on Health and Health Care by Race and Ethnicity | KFF](#), [Understanding and Addressing Racial Disparities in Health Care - PMC \(nih.gov\)](#), [Racism and Health | Minority Health | CDC](#), [Reducing disparities in health care | Causes of health disparity | AMA \(ama-assn.org\)](#).

Lengthen or eliminate TANF/SFA terminations related to sanction.

Federal law asserts that states must reduce **or** terminate TANF cash benefit for failure to comply with participation requirements. Washington state goes beyond the federal requirement by reducing **and** then terminating a family's cash benefit when the client does not comply with participation requirements.

To improve TANF access and reduce the likelihood of disproportionality in sanction closures, policy makers could consider **eliminating case terminations (full-family sanctions) due to non-compliance with WorkFirst participation requirements**. There is little evidence that sanctions assist families in leaving poverty³⁶, and there is clear evidence that the current Washington sanction policy has inequitable impact. In addition, **policy makers could consider reducing the financial penalty for sanctioned cases, to only the 'pro rata' federal minimum**, to mitigate the destabilizing force of sanction related grant reductions.

If this approach is considered, the appropriate level of DSHS engagement and associated resources dedicated to sanctioned households must also be determined. Without capacity to provide support and ongoing outreach to offer these families access to services and activities, Washington could run risk of allowing particularly vulnerable families who may be facing extreme barriers and hardships (e.g. family violence, mental/emotional health challenges) to linger in sanction. A robust monthly contact/outreach approach would be ideal to ensure support is offered.

This type of approach could have some minor impact to Washington state's Work Participation Rate, which is the only current federal TANF measure that carries a penalty if not met. DSHS currently employs a number of strategies to mitigate incurring these penalties.³⁷

Continue dialogue with tribal leaders to improve service for American Indians/Native Alaskans.

Continue engagement and dialogue with DSHS's [Indian Policy Advisory Committee](#) around how sanction policy and process is impacting American Indians/Native Alaskans within Washington state. Leverage information gathered from analysis and ongoing monitoring efforts to support this dialogue and partner to develop additional strategies for how to support this population.

Explore offering additional, regular contact with TANF families to offer resource support and referrals.

Continue to explore whether additional, more regular staff outreach to TANF/SFA families should be offered to enable more timely referrals, help address barriers to employment, and assess and document whether a family may meet time limit extension criteria well ahead of reaching the TANF time limit³⁸. This also supports families in avoiding the destabilizing effect of sanction, if/when participation is a challenge. This level of outreach would require additional staff time and clear staff guidance on purpose of this outreach. With this type of proactive engagement, CSD would not want lack of response from families to result in them entering the sanction pathway.

³⁶ [A Roadmap to Reducing Child Poverty | The National Academies Press](#)

³⁷ For more information, see the [WorkFirst Maintenance of Effort and Work Participation Rate Report](#), published biannually.

³⁸ Staff currently contact clients at month 56-58 to assess for time limit extension.

APPENDIX A: LEGISLATIVE CHANGES TO TIME LIMIT AND SANCTION POLICY

Below is a list of legislative changes to TANF time limit and sanction policy since 2019, geared towards improving client access and program equity.

- [Second Substitute House Bill 1603](#) (Chapter 343, Laws of 2019), effective July 2019, ended the policy of permanently disqualifying a family after three sanction terminations and added homelessness to the hardship criteria for a time limit extension. As noted above, this policy is already helping Black/African American and American Indian/Native Alaskan populations access TANF.
- [Substitute House Bill 2441](#) (Chapter 338, Laws of 2020) effective July 2021, eliminated immediate terminations for non-compliance, allowed participants two months of non-compliance prior to grant reduction, and allowed an additional 10 months of non-compliance while receiving a reduced grant to provide opportunities to overcome barriers and reengage before required termination. This provides additional support for families and opportunities to resume engagement in WorkFirst participation.
- [Second Substitute Senate Bill 6478](#) (Chapter 320, Laws of 2020), effective July 2021, expanded the definition of homelessness to match that of the federal [McKinney-Vento Act](#). This expanded definition provides more opportunity for households to meet the criteria for a time limit extension.
- [Second Substitute Senate Bill 5214](#) (Chapter 239, Laws of 2021) effective July 2022, allowed additional time on aid for individuals who received TANF during the height of the COVID-19 pandemic, when the Washington unemployment rate was greater than or equal to 7%.
- [House Bill 1755](#) (Chapter 24, Laws of 2022) effective July 2023, allowed additional time on aid for individuals with over 60 months of TANF when the unemployment rate is 7% or higher, per the most recently published data available through the Employment Security Department.
- [2022 Supplemental Operating Budget: Engrossed Substitute Senate Bill 5693](#) (Chapter 297, Laws of 2022) effective July 1, 2022, through June 30, 2023, funded continued post-pandemic time limit extensions.
- [Second Substitute House Bill 1447](#) (Chapter 418, Laws of 2023) effective July 2023, removed the 60-month time limit for TANF households with an ineligible parent. Ineligible parents can continue to receive a TANF grant for their child as long as they meet financial eligibility criteria despite time on aid. Ineligible parents are defined as parents ineligible for TANF due to receipt of Supplemental Security Income (SSI), legal status or immigration status. It also expanded the definition of good cause reasons for failure to participate in the WorkFirst program to include any hardship(s) that reasonably prevent program participation, as defined by DSHS.
- [Substitute House Bill 2007](#) (Chapter 181, Laws of 2024) effective July 2024, allowed additional time on aid for individuals with a child under the age of two, who are eligible for the infant, toddler, or postpartum exemption.